

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.
20006-2973
(202) 393-2266
FAX (202) 393-2156

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OF COUNSEL
URBAN A. LESTER

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RECEIVED
SURFACE TRANSPORTATION
BOARD

September 20, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies each of a Memorandum of Railroad Equipment Lease Agreement, dated as of September 4, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents, and a Security Agreement, dated September 23, 1996, and Assignment of Leases, dated September 23, 1996, both being secondary documents related thereto.

The names and addresses of the parties to the enclosed documents are

Memorandum of Railroad Equipment Lease

Lessor	DJJ Leasing Ltd 300 Pike Street Cincinnati, Ohio 45202
Lessee	Canadian Pacific Railway Company Suite 500 Gulf Canada Square 401 9th Avenue, SW Calgary, Alberta T2P 4Z4

Mr Vernon A Williams
September 20, 1996
Page 2

Security Agreement

Borrower	DJJ Leasing Ltd 300 Pike Street Cincinnati, Ohio 45202
Secured Party	MeesPierson, N V Coolsingel 93 PO Box 749 3000 AS Rotterdam The Netherlands

Assignment of Leases

Assignor	DJJ Leasing Ltd 300 Pike Street Cincinnati, Ohio 45202
Assignee	MeesPierson, N V Coolsingel 93 PO Box 749 3000 AS Rotterdam The Netherlands

A description of the railroad equipment covered by the enclosed documents is


~~DJLX~~

125 railcars bearing reporting marks and road numbers ~~DJJX~~ 96000
through ~~DJJX~~ 96124, inclusive
~~DJLX~~

Also enclosed is a check in the amount of \$66 00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W Alvord

**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001**

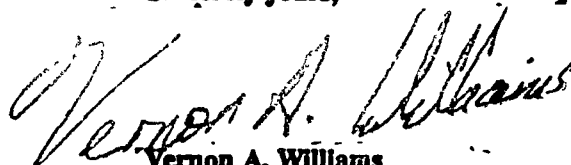
9/20/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/20/96 at 3:15PM, and assigned recordation number(s). 20270 and 20270-A, 20270-B.

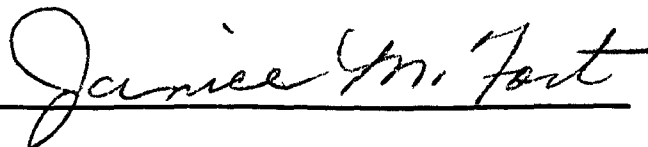
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 66.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



20270
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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT
between
DJJ LEASING LTD.
and
MEESPIERSON, N.V., as Agent

September 23, 1996

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SECURITY AGREEMENT

SECURITY AGREEMENT dated as of September 23, 1996 (this "Security Agreement") between DJJ LEASING LTD., an Ohio limited liability company (the "Borrower"), and MEESPIERSON, N.V., a Netherlands corporation ("MeesPierson"), as Agent for the Lenders (as defined in the Loan Agreement referred to below) (together with its successors and assigns in such capacity, the "Agent").

RECITALS

A. Pursuant to Section 2.1 of the Term Loan Agreement dated as of the date hereof among the Borrower, the Lenders parties thereto and the Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), and subject to the conditions therein set forth, the Lenders have agreed to make term loans to the Borrower in the aggregate principal amount of [REDACTED] (the "Loans") in order to enable the Borrower to finance the purchase of new Railcars subject to Leases which meet certain eligibility requirements, which Loans are evidenced by Notes executed by the Borrower in favor of the Lenders.

B. It is a condition precedent to the making of the Loans that the Borrower execute and deliver this Security Agreement.

C. The principal of and interest on the Notes and all additional amounts and other sums at any time due and owing from or required to be paid by the Borrower under the terms of the Loan Agreement, the Notes, this Security Agreement and the other Loan Documents are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS

1.1 The following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" - the Association of American Railroads.

"AAR Value" - with respect to any Railcar, the settlement value of such Railcar as determined in accordance with Rule 107 -- Damaged and/or Destroyed Cars (or any successor rule) of the AAR as published in the most recent edition of the Field Manual of the A.A.R. Interchange Rules (or a successor publication).

"Collateral" - as defined in Section 2 hereof.

"ICA" - the Interstate Commerce Act, as amended, and the regulations and rulings promulgated thereunder or any successor statute thereto.

"Lease Proceeds" - as defined in Section 2.3 hereof.

"Loan Agreement" - as defined in Recital A hereof.

"Loans" - as defined in Recital A hereof.

"Permitted Lien" - as defined in Section 3.3 hereof.

"Security Agreement" - this Security Agreement as specified in the first paragraph hereof.

Section 2. SECURITY

2.1 Grant of Security. The Borrower, in consideration of the premises and of the sum of Ten Dollars received by the Borrower from the Lenders and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the due payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness and liabilities of the Borrower to the Lenders and the Agent under the Loan Documents, and the performance and observance by the Borrower of all its obligations contained in or arising out of the Loan Agreement, this Security Agreement, the Notes and the other Loan Documents, including all amendments, restatements, supplements and other modifications thereto (sometimes referred to herein collectively as the "Obligations"), does hereby collaterally assign, mortgage, pledge, hypothecate, transfer and set over to the Agent on behalf of the Lenders and the Agent, and grant the Agent a first priority lien on and security interest in all of the Borrower's right, title and interest in and to the assets, properties, rights, interests and privileges described in Sections 2.2, 2.3, 2.4, 2.5 and 2.6 hereof, whether now owned or hereafter acquired or arising and wheresoever located (all of which, including all proceeds and products (as defined in the UCC) thereof, are hereinafter collectively referred to as the "Collateral").

2.2 Railcars. The Collateral includes all Railcars which are described on Schedule A attached hereto (as may be supplemented from time to time pursuant to a Security Documents Supplement), together with all accessories, equipment, parts and appurtenances appertaining or attached to such Railcars, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to or proceeds of any and all of said Collateral, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom.

2.3 Leases.

(a) The Collateral also includes, all right, title, interest, claims and demands of the Borrower in, to and under each and every Lease, including, but not limited to, the Leases which are more particularly described on Schedule A attached hereto (as may be supplemented from time to time pursuant to a Security Documents Supplement), including, without limitation, per diem Leases, whether now existing or hereafter entered into, including any and all renewals, extensions, modifications, substitutions and replacements of every Lease, all of Borrower's rights under any Lease to receive all monies due or to become due thereunder (whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise) (the "Lease Proceeds"), to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval together with full power and authority with respect to any Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any of the Leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Agent) may be necessary or advisable in connection with any of the foregoing.

(b) It is expressly agreed that anything herein contained to the contrary notwithstanding, the Borrower shall remain liable under the Leases to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and none of the Agent and the Lenders and their respective successors, assigns and participants shall have any obligation or liability under the Leases by reason of or arising out of the assignment hereunder, nor shall the Agent and the Lenders and their respective successors, assigns and participants be required or obligated in any manner to perform or fulfill any obligations of the Borrower under or pursuant to the Leases or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Agent shall be entitled to collect and receive the Lease Proceeds upon the occurrence of and during the continuance of an Event of Default.

2.4 Contract Rights. Collateral also includes all rights of warranty, indemnity and other contract rights related to the Railcars and the Leases (including, without limitation, the Management Agreement).

2.5 Operating Account and Cash Buffer Account. Collateral also includes the Operating Account and the Cash Buffer Account,

all amounts from time to time on deposit therein and all investments made with the proceeds thereof and all interest earned thereon. Concurrently with the execution and delivery hereof, the Borrower shall establish the Cash Buffer Account at the Operating Account Bank located at 425 Walnut Street, Cincinnati, Ohio 45202, in which all Cash Buffer shall be deposited by the Borrower. Amounts deposited in the Cash Buffer Account shall bear interest at such rates as the Operating Account Bank customarily pays on deposit accounts. The Cash Buffer Account shall be in the name of the Agent on behalf of the Agent and the Lenders and the Agent shall have sole dominion and control of the Cash Buffer Account. At such time as any Obligations shall become payable by the Borrower or, if an Event of Default under the Loan Agreement shall have occurred and be continuing, at any time in the Agents' election, the Agent shall apply all or any part of the funds on deposit in the Operating Account and/or Cash Buffer Account on account of the Obligations, the order and method of such application to be in the sole discretion of the Agent.

2.6 Other Assets. Collateral also includes all accounts, chattel paper, contracts, documents, equipment, general intangibles, instruments and inventory (as such terms may be defined in the UCC) and any and all other assets and properties of the Borrower now or hereafter owned by the Borrower or in which the Borrower has any right, title or interest, whether tangible or intangible, and wheresoever located.

Section 3. COVENANTS AND WARRANTIES OF BORROWER

So long as the Borrower is indebted to the Lenders and until the Notes are irrevocably paid in full, performance of all of the other Obligations and expiration and termination of the Loan Agreement and the other Loan Documents, the Borrower covenants, warrants and agrees with the Agent that:

3.1 Maintenance of Railcars and Eligible Equipment. The Borrower shall maintain and keep, or cause to be maintained and kept, at its or the Lessees' own cost and expense, each Railcar and item of Eligible Equipment in good order and repair in compliance with all AAR mechanical regulations and industrial commercial acceptance standards for revenue interchange loading, unless and until it becomes worn out, unsuitable for use, lost or destroyed, provided that any such Railcar or item of Eligible Equipment so worn out, obsolete, lost or destroyed shall be replaced in accordance with the provisions of Section 2.6 of the Loan Agreement unless the Borrower elects to prepay the Loans in accordance with Section 2.6 of the Loan Agreement.

3.2 Insurance.

(a) The Borrower shall maintain, or cause to be maintained at its own expense, with responsible insurance companies reasonably acceptable to the Agent, property, liability and other

insurance, on such of its properties, in such amounts, against such risks and in such form as is customarily maintained by similar businesses, and, in any event, (i) all risk of direct physical damage or loss insurance, including all Collateral under repair or construction or in transit, in an aggregate amount of not less than \$10,000,000, with a deductible of not more than \$500,000, including breach of warranty and waiver of set-off provisions, and (ii) general commercial liability and excess liability insurance, including cross liability, in an aggregate amount of not less than \$10,000,000, which insurance shall at all times include coverage for all liabilities covered under, and shall not include any exclusions other than those set forth in, the Borrower's policies of insurance as in effect on the Closing Date.

(b) Such insurance shall be primary, and without contribution from any insurance effected by the Agent and/or the Lenders, and the insurers thereunder shall have waived any rights of subrogation against these parties.

(c) The Borrower shall cause the Agent to be named as loss payee under all policies of property insurance, and shall cause the Agent and the Lenders to be named as additional insureds under all policies of liability insurance, maintained pursuant to the provisions of this Section 3.2 and shall deliver to the Agent (x) on the Closing Date and on each anniversary thereof, a Certificate of Insurance and (y) thirty (30) days prior written notice before any cancellation, expiration, cessation, and, with respect to the property insurance, reduction in amount or change in coverage thereof shall become effective.

(d) The Borrower, upon request of the Agent, shall provide the Agent with complete copies of the Borrower's insurance policies, as in effect from time to time.

3.3 Preservation of Collateral.

(a) The Borrower will warrant and defend the title to the Collateral against all claims and demands of all Persons except Persons claiming by, through or under the Agent or the Lenders, their respective successors, assigns and participants thereof. Except as permitted under the Loan Agreement, the Borrower will not assign, sell, lease, transfer or otherwise dispose of, nor will the Borrower suffer or permit any of the same to occur with respect to, the Collateral. The Borrower will at all times maintain good and marketable title to the Collateral and will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and shall pay or discharge, at its own cost and expense, any and all claims, Liens or charges other than Permitted Liens. As used herein, "Permitted Liens" shall mean:

(i) the Liens created and granted by this Security Agreement and the other Security Documents; and

(ii) Liens allowed under Section 7.2(b) or (c) of the Loan Agreement.

(b) The Borrower shall advise the Agent promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Agent's security interest in the Collateral.

3.4 Further Assurances. The Borrower will, at its own cost and expense, do, execute, acknowledge and deliver all and every deed, conveyance, transfer and assurance necessary to create and maintain in favor of the Agent on behalf of the Agent and the Lenders, a duly perfected, first priority security interest in the Collateral, subject to no other Liens other than Permitted Liens, whether now owned or hereafter acquired, with the STB, pursuant to the UCC and ICA, and with the Registrar General of Canada pursuant to the Canada Transportation Act and shall take all such further actions as the Agent may reasonably consider necessary or desirable in connection with the foregoing.

3.5 Recordation and Filing.

(a) The Borrower will (x) cause this Security Agreement and any Security Documents Supplements hereto at all times to be executed, recorded and filed, at no expense to the Agent or the Lenders, with the STB and with the Registrar General of Canada, and all financing and continuation statements to be filed with the Secretary of State of the State of Ohio and with the County Clerk in Hamilton County, Ohio, and cause such documents and all similar notices required by applicable law to be filed in such other jurisdictions and with such other Federal, state, provincial or local government or agency thereof as the Agent deems it necessary or desirable to perfect, protect, or preserve its first priority Lien on the Collateral, in order to fully preserve and protect the rights of the Agent hereunder; and (y) at its own expense, furnish to the Agent and the Lenders promptly after the execution and delivery of any Security Documents Supplement to this Security Agreement, opinions of: (i) Alvord and Alvord, special STB counsel to the Borrower and (ii) Fraser & Beatty, special Canadian counsel to the Borrower with respect to the Railcars being financed with the proceeds of any Loan, or such other counsel as the Agent may reasonably request, which opinions shall be in form and substance satisfactory to the Agent in its sole discretion.

(b) The Borrower hereby authorizes the Agent to take all action (including, without limitation, the filing of this Security Agreement and any Security Documents Supplement thereto and any UCC Financing Statements or amendments thereto without the signature of the Borrower) which the Agent may deem necessary to perfect, protect, or preserve the first priority Liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.6 Power of Attorney.

(a) The Borrower does hereby irrevocably constitute and appoint the Agent on behalf of the Agent and the Lenders, and its successors and assigns, upon the occurrence of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Collateral with full power to settle, adjust or compromise any claim thereunder as fully as the Borrower could itself do, and to endorse the name of the Borrower on all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Borrower or otherwise, which the Agent may deem necessary in its reasonable discretion to perfect, protect and preserve the right, title and interest of the Agent in and to such Collateral and the security intended to be afforded hereby. This power of attorney is coupled with an interest. The Borrower hereby ratifies all actions which may be taken thereunder.

(b) The parties acknowledge that the powers conferred on the Agent hereunder are solely to protect its interest on behalf of the Agent and the Lenders in the Collateral and that anything herein contained to the contrary notwithstanding, neither the Agent or the Lenders, nor their respective successors or assigns shall have any duty, obligation or liability by reason of or arising out of this Security Agreement to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which the Agent or the Lenders may be entitled at any time by virtue of this Security Agreement.

3.7 Chief Executive Office. The chief executive office of the Borrower, since its formation has been, and is, located at 300 Pike Street, Cincinnati, Ohio 45202 and all the records related to the Collateral are kept in said office. The Borrower shall not change its chief executive office, corporate name or location of books and records unless (x) it shall have given the Agent thirty (30) days advance written notice of any change of such office address and (y) it shall have taken all actions required to maintain the perfection and priority of the Liens granted hereunder.

3.8 Acquisition of Interest in the Collateral. The Borrower has acquired its interest in the Collateral (including all Railcars and each item of Eligible Equipment) for its own account and with the proceeds of the Loans and its own funds and no funds used to acquire any Collateral have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this paragraph, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.9 Actions Under the Leases.

(a) All the Leases, among other things, are full service operating leases (serviced by the Manager or a reputable third party) (and not leases intended as security under Articles 2A and 9 of the UCC), are in full force and effect and are in substantially the form of Exhibit B-1 or B-2 to the Loan Agreement and the Borrower shall not enter into any agreement amending, restating, supplementing or otherwise modifying any Lease in any material respect, execute any waiver or modification of, or consent to the non-compliance with, any material provision of any Lease, settle or compromise any material claim against any Lessee arising under any Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Lease to arbitration thereunder, in each instance, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

(b) The Borrower shall comply, and shall cause each of the Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof, or to the operation of the Borrower's business (including all laws of the jurisdictions in which operations involving the Railcars and each item of Eligible Equipment may extend the interchange rules of the AAR and all rules of the STB) and the Registrar General of Canada.

3.10 Marking of Collateral.

(a) Borrower will cause each Railcar to be kept numbered with the identifying number set forth in Schedule A hereto (as may be supplemented from time to time pursuant to a Security Documents Supplement), and at the request of the Agent, if the Agent determines that it is necessary in order to perfect, protect or preserve its first priority security interest in the Collateral, the Borrower shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Railcar, in letters not less than one inch in height, the words, "Ownership subject to a Security Agreement filed with the Surface Transportation Board of the U.S. Department of Transportation and the Registrar General of Canada". The Borrower shall not change, or permit to be changed, the identifying number of any Railcar except in accordance with a statement of new identifying numbers to be substituted therefor after the Agent has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited, including, without limitation, the STB, Registrar General of Canada and under the UCC. The Borrower shall forthwith furnish to the Agent an opinion of such counsel and in form and substance satisfactory to the Agent to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Agent's first priority Lien or security interests in such Railcar and no further

filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Agent in such Railcar.

(b) Except as above provided, the Borrower will not allow the name of any Person (other than the Borrower) to be placed on any Railcar or Eligible Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Borrower may permit Railcars and items of Eligible Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Eligible Equipment or its affiliates.

3.11 Use of Railcars and Eligible Equipment. The Railcars and each item of Eligible Equipment will be used by a Lessee incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Leases. Notwithstanding any provision herein to the contrary, the Railcars shall not be operated or be present in Mexico at any time without the prior written consent of the Agent.

3.12 Eligible Leases. The representations and warranties of the Borrower with respect to the Railcars, Eligible Equipment and the Leases which are set forth in the Loan Agreement shall be true and correct with respect to each Railcar, item of Eligible Equipment and Lease as of the date such Collateral becomes subject to this Security Agreement.

Section 4. SPECIAL PROVISIONS CONCERNING LEASES

4.1 Borrower's Rights Under Leases. Until the occurrence and continuance of an Event of Default, and subject to any limitations set forth herein, in the Loan Agreement or in any other Loan Document, the Borrower may exercise all of the Borrower's rights, powers, privileges and remedies under the Leases, including, without limitation, the right to receive any and all monies due or to become due under the Leases; provided, that, the Borrower shall promptly deposit, or shall cause to be deposited, into the Operating Account all payments under any Lease and in respect of any Railcar.

4.2 Number of Leases. There shall not exist more than five (5) originals of any Lease, one of which shall be retained by the Lessee. The Borrower shall promptly forward to the Agent the original counterpart no. 1 of any Lease and the originally executed

Certificate of Delivery and Acceptance Certificate with respect to the Collateral leased pursuant to such Lease. The Agent shall have the right from time to time to audit the records of the Borrower as to the status of the Collateral in accordance with Section 6.2 of the Loan Agreement.

Section 5. COLLATERAL

5.1 Release of Certain Collateral. So long as no Default or Event of Default shall have occurred and be continuing, subject to and in accordance with Section 2.6 of the Loan Agreement, upon the request of the Borrower with respect to a sale of a Railcar in accordance with the Loan Agreement, the Agent shall take such actions as may be reasonably requested by the Borrower and which are necessary or appropriate in order to release, and shall execute and deliver releases in recordable form, including releases under the ICA, UCC and Canada Transportation Act, releasing (i) all interest of the Agent in any Railcars and related Leases, and (ii) such Railcars and related Leases from the Lien of this Security Agreement.

Section 6. SECURED PARTY'S RIGHTS

6.1 Secured Party's Rights. The Borrower agrees that when any Event of Default has occurred and is continuing, the Agent shall have the rights, options, duties and remedies of a secured party, and the Borrower shall have the rights and duties of a debtor, under the ICA and under the UCC (regardless of whether the UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) as applicable, and the Agent shall have the following rights and remedies:

(a) All the rights of a secured party or otherwise given by law to the Agent under the ICA, under the UCC and the Canada Transportation Act to enforce the Liens and security interests contained herein.

(b) The right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Borrower, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold, and the Borrower shall deliver, or cause to be delivered, possession of the Collateral to the Agent where the same may be found or at such place or places as the Agent may reasonably require.

(c) Any Collateral repossessed by the Agent under or pursuant to this Section 6.1 may be sold, leased or otherwise

disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Agent or after any overhaul or repair which the Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to Borrower specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to Borrower specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Agent may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to Borrower (except to the extent of surplus money received as provided in Section 6.5 of this Security Agreement). In the payment of the purchase price therefor, the Agent shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Lenders on account of the indebtedness hereby secured and the Lenders may deliver the claims for interest on or principal of the Loans or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Borrower as hereinabove specified, the Agent need give Borrower only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) By such means as it shall determine, including, without limitation, by delivery of the notice of assignment executed by the Borrower concurrently herewith, (i) to cause each Lessee under a Lease to make payment of all Lease Proceeds relating to the Collateral, due and becoming due under any Lease included in the Collateral, directly to, in the Agent's sole discretion, either the Agent or to a post office box designated by the Agent to which only the Agent shall have access, (ii) if the Borrower shall receive any Lease Proceeds relating to the Collateral in respect of such Lease, or any Railcar or item of Eligible Equipment (including, without limitation, any proceeds of insurance with respect to the Railcars or any item of Eligible Equipment), hold the amount of such payment in trust by the Borrower for the benefit of the Agent and the Lenders, and shall not commingle such payment

with any other monies or assets of the Borrower and (iii) promptly turn over and remit to the Agent all sums thus received, in the identical form as received, with all such endorsements thereof as may be required.

(e) The Agent may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under applicable law.

6.2 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Borrower in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Borrower, its successors and assigns, and against any and all Persons claiming the property sold, or any part thereof under, by or through the Borrower, its successors or assigns.

6.3 Discontinuance of Remedies. In case the Agent shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Borrower and the Agent shall be restored to their former respective positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.4 Cumulative Remedies. No delay or omission of the Agent to exercise any right or power arising from any default on the part of the Borrower, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Agent of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Agent may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness hereby secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Agent be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.5 Distribution of Proceeds. Proceeds of Collateral shall be applied and paid by the Agent in the following order of priority:

first, to the extent not otherwise reimbursed by the Borrower, to the Agent to pay all costs and expenses of the Agent incurred in connection with its obligations and all indemnities and all other amounts (other than fees, principal and interest) or payable under this Agreement and the other Loan Documents;

second, to pay to the Agent any fees owing to the Agent;

third, to pay to each Lender any fees owing to such Lender;

fourth, to pay to each Lender its pro rata share of accrued and unpaid interest, and then to pay to each Lender its pro rata share of principal outstanding under its respective Notes based on the relative outstanding principal amounts as of acceleration of the Notes; and

fifth, to the extent of any surplus, to the Borrower, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

Section 7. MISCELLANEOUS

7.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors, and permitted assigns and participants of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Borrower or by or on behalf of the Agent shall bind and inure to the benefit of such successors, assigns and participants of such parties whether so expressed or not.

7.2 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.3 Notices. All notices and communications provided for herein shall be given to such parties, at such addresses and in such manner as is provided in the Loan Agreement.

7.4 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Obligations have been irrevocably paid or discharged in full, at which time the Agent shall, at the Borrower's expense, execute and deliver to the Borrower at its expense all UCC termination statements and such similar documents or proper instrument or instruments which the Borrower shall reasonably request to evidence such termination and the release of Collateral, including releases in recordable form

under the ICA and the Canada Transportation Act. Upon the release of this Security Agreement, all amounts in the Cash Buffer Account shall be under the sole dominion and control of the Borrower.

7.5 Entire Agreement. This Security Agreement, together with the Notes, the Loan Agreement and the other Loan Documents, constitute the entire understanding between the parties with respect to the subject matter hereof. All prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Security Agreement, and this Security Agreement is the entire agreement between the Borrower and the Agent relating to the subject matter hereof. This Security Agreement cannot be changed or terminated orally.

7.6 GOVERNING LAW. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. SECTION 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.

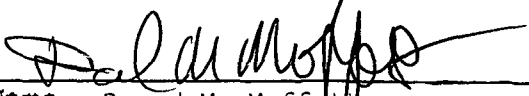
7.7 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.8 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.9 WAIVER OF JURY TRIAL. BY ITS SIGNATURE BELOW WRITTEN EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

DJJ LEASING LTD.

By: 
Name: David M. Moffett
Title: Vice President

MEESPIERSON, N.V., as Agent

By: _____
Name:
Title:

STATE OF OHIO

HAMILTON COUNTY

)
: SS.:
)

On this 18th day of September, 1996, before me, personally appeared David M. Moffett to me personally known, who being by me duly sworn, says that he resides at c/o 425 Walnut Street, M.L. 9105 Cincinnati, Ohio 45202 and is Vice President of DJJ Leasing Ltd., that said instrument was signed on the date hereof on behalf of said limited liability company by authority of its Committee; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.



Notary Public




RICHARD J. HIDY, Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03

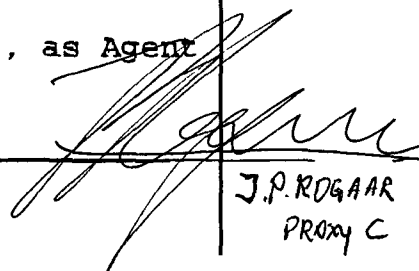
IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

DJJ LEASING LTD.

By: _____
Name:
Title:

MEESPIERSON, N.V., as Agent

By: 
Name: H.J.H. ZEEWEN
Title: PROXY G


J.P. ROGAAR
PROXY C

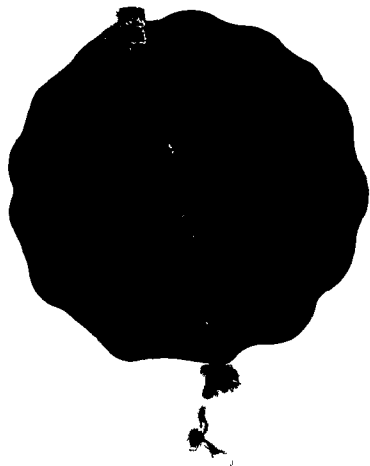


The undersigned, Michael Andreas Josephus Cornelis Maria van Agt, civil law notary, officiating in Rotterdam, The Netherlands, hereby certifies that, according to the information filed with the Trade Register of the Chamber of Commerce and Industry in Amsterdam, The Netherlands, provided to the undersigned today:

1. Mr Hendrikus Johannes Hubertus Zeeuwen, residing in (2587 PJ) The Hague, The Netherlands, Groningsestraat 355, born in Eindhoven, The Netherlands, on August 16, 1943, of Dutch nationality identified by means of his passport with number C084634, and
2. Mr Jan Pieter Rogaar, residing in (1075 CB) Amsterdam, The Netherlands, Saxen Weimarlaan 16hs, born in Amsterdam, The Netherlands, on August 14, 1964, of Dutch nationality, identified by means of a passport with number H763124;

are respectively proxy G and C of the public company: **Mees-Pierson N.V.**, established in Amsterdam, The Netherlands, and having a branch office in Rotterdam, and as such fully entitled to represent the said company jointly.

Rotterdam, The Netherlands, September 18, 1996.



SCHEDULE A

<u>Rptg Mark</u>	<u>Car Number(s)</u>	<u>AAR Desg.</u>	<u>Contract</u>	<u>Effective Date</u>
DJLX	96000 through 96124 (inclusive)	J311	Canadian Pacific Railway	September 4, 1996